



February 10, 2024

**SUMMARY OF BILL:** Establishes a program for the Department of Agriculture's acquisition and administration of agricultural real estate interests in the State, including the administration of grants for the purpose of preserving farm and forestry land and the acquisition of agricultural easements.

Creates the Farmland Preservation Fund, within the General Fund, to be administered by the Commissioner of Agriculture for agricultural easements. Unexpended funds do not revert to the General Fund, but are carried forward and maintained until expended.

**FISCAL IMPACT:**

**Increase State Revenue – \$25,000,000/FY24-25/Farmland Preservation Fund**

**Increase State Expenditures – \$25,000,000/FY24-25/General Fund**

**Other Fiscal Impact – The timing and amount of expenditures from the Farmland Preservation Fund for agricultural easements cannot reasonably be estimated.**

**The Governor's proposed FY24-25 budget, on page B-267, recognizes a one-time appropriation of \$25,000,000 to fund the Farmland Conservation Fund within the Department of Environment and Conservation.**

Assumptions:

- The proposed legislation creates a new grant program within the Department of Agriculture to preserve farmland in Tennessee.
- The proposed legislation creates a Farmland Preservation Fund within the General Fund, which will be administered by the Commissioner of Agriculture, to pay farmers for agricultural easements.
- Agricultural easements are for 15 years, and they are intended to preserve, maintain, or enhance the condition of agriculture on farmland.
- Owners of farmland are assumed to be paid the difference between the value of the land as restricted and the value of the land for its highest and best use.

- The Governor’s proposed FY24-25 budget, on page B-267, recognizes a one-time appropriation of \$25,000,000 to fund the program within the Department of Environment and Conservation.
- The FY24-25 proposed budget does not include any funding or authorization for additional positions within the Department of Agriculture nor does the proposed legislation authorize a portion of the funds in the Farmland Preservation Fund to be utilized for administrative expenses.
- The department can administer the new grant program within existing resources, without a significant increase in state expenditures.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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